



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION  
45 L STREET NE  
WASHINGTON D.C. 20554

News media information 202-418-0500  
Internet: <http://www.fcc.gov> (or <ftp.fcc.gov>)  
TTY (202) 418-2555

DA No. 22-44

Report No. SCL-00352

Friday January 14, 2022

## Actions Taken Under Cable Landing License Act

### Section 1.767(a) Cable Landing Licenses, Modifications, and Assignments or Transfers of Control of Interests in Cable Landing Licenses (47 C.F.R. § 1.767(a))

By the Chief, Telecommunications and Analysis Division, International Bureau:

Pursuant to An Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39 (Cable Landing License Act), Executive Order No. 10530, Exec. Ord. No. 10530 reprinted as amended in 3 U.S.C. § 301, and section 1.767 of the Commission's rules, 47 C.F.R. § 1.767, the following applications ARE GRANTED. These grants of authority are taken under section 0.261 of the Commission's rules, 47 C.F.R. § 0.261. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this public notice.

These applications have been coordinated with the Department of State and other Executive Branch agencies pursuant to section 1.767(b) of the Commission's rules, 47 C.F.R. § 1.767(b), and consistent with procedures established with the Department of State. See Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, Report and Order, 16 FCC Rcd 22167, 22192-93, paras. 51-52 (2001) (Submarine Cable Landing License Report and Order); Streamlined Procedures for Executive Branch Review of Submarine Cable Landing License Requests, State Department Media Note (Revised) (rel. Dec. 20, 2001) available at <http://2001-2009.state.gov/r/pa/prs/ps/2001/6951.htm>.

This public notice serves as each cable landing licensee's Cable Landing License, or modification thereto, pursuant to the Cable Landing License Act and sections 1.767 and 1.768 of the Commission's rules. Cable landing licensees should review carefully the terms and conditions of their licenses. Failure to comply with these terms and conditions or relevant Commission rules and policies could result in fines or forfeitures.

## Submarine Cable Landing License

## Grant of Authority

Date of Action: 01/12/2022

Acceptability for Filing Public Notice: An application was filed by GU Holdings Inc. (GU Holdings or Applicant) for a license to construct, land, and operate a non-common carrier fiber-optic submarine cable system connecting the United States to the United Kingdom and Spain, the Grace Hopper cable system. The Application was placed on Public Notice on March 26, 2021. See Streamlined Submarine Cable Landing License Applications Accepted for Filing, File No. SCL-LIC-20210225-00014, Public Notice, Report No. SCL-00308S (IB, March 26, 2021). No comments or oppositions were filed in response to the Public Notice. Applicant was granted special temporary authority (STA) to allow the construction and testing of those portions of Grace Hopper cable system in U.S. territory prior to the grant of this cable landing license. See SCL-STA-20211006-00047.

The Application has been coordinated with the Department of State and other Executive Branch agencies pursuant to section 1.767(b) of the Commission's rules, 47 CFR § 1.767(b), and consistent with the procedures established by the Department of State. See Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, Report and Order, 16 FCC Rcd 22167, 22192-93, paras. 51-52 (2001) (Submarine Cable Landing License Report and Order); Submarine Cable Landing License Requests, State Department Media Note (Revised) (rel. December 20, 2001) available at <https://2001-2009.state.gov/r/pa/prs/ps/2001/6951.htm>. On April 2, 2021, the Department of Homeland Security filed a letter requesting that we defer action on the application. On November 10, 2021, the National Telecommunications and Information Administration, on behalf of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee), filed a Petition to Adopt Conditions to Authorization and License. The Committee has no objection to the Commission approving authority to construct, land, and operate the Grace Hopper cable system, provided that the Commission conditions its approval on the assurances of GU Holdings Inc., to abide by the commitments and undertakings set forth in the October 27, 2021, Letter of Agreement from GU Holdings Inc. to the Department of Homeland Security and the Department of Defense.

Action Taken: (1) Grant of Cable Landing License to GU Holdings Inc. for the purpose of landing and operating a non-common carrier fiber optic submarine cable connecting the United States to the United Kingdom and Spain, the Grace Hopper cable system; (2) waiver of section 1.767(h)(1) of the Commission's rules, 47 CFR § 1.767(h)(1), in connection with the license; and (3) grant of the Petition to Adopt Conditions to Authorization and License filed by the National Telecommunications and Information Administration on November 10, 2021.

Licensee Information: GU Holdings, Inc., the Applicant for the cable landing license for the Grace Hopper cable system, is an indirect, wholly owned subsidiary of Google LLC (Google), both Delaware companies. The 10% or greater direct or indirect owners of GU Holdings are: (1) Google International LLC, a Delaware limited liability company (100% equity and voting interest); (2) Google LLC, a Delaware limited liability company (97% equity and voting interest in Google International); (3) XXVI Holdings Inc., a Delaware company (100% equity and voting interest in Google LLC); (4) Alphabet Inc. (Alphabet), a Delaware company (more than 99% equity and voting interest in XXVI Holdings Inc.); (5) Mr. Larry Page, a U.S. citizen and Co-Founder of Alphabet (26.28% voting interest in Alphabet through ownership of 43.5% of Alphabet's Class B common stock); and (6) Mr. Sergey Brin, a U.S. citizen and Co-Founder of Alphabet (25.25% voting interest in Alphabet through ownership of 41.8% of Alphabet's Class B common stock). Alphabet's shares are publicly traded on the NASDAQ stock market. No other entity or individuals hold a 10% or greater equity or voting interest in Alphabet or GU Holdings.

Cable Design and Capacity: Grace Hopper will consist of a segment from New York to Bude, United Kingdom (Main Trunk) and a single branching unit that extends from the Main Trunk to Bilbao, Spain (Spain Branch). The Main Trunk and the Spain Branch, 6,354 kilometers and 837 kilometers in length, respectively, will each have 16 fiber pairs. Each fiber pair will have a total design capacity of approximately 22 Terabit per second (Tbps) for a total system design capacity of approximately 352 Tbps.

Ownership and Control of the Cable System: GU Holdings and its affiliates - Google Singapore Pte. Ltd. (GSPL), Global Infrastructure UK Limited (GIUL), and Yeso Computing, S.L.U. (Yeso) - will own and control the Grace Hopper system in U.S. territory and international waters as follows: (1) GU Holdings will 100% own and control that portion of Grace Hopper system in U.S. territory; (2) GSPL will 100% own and control that portion of the cable system in international waters; (3) GIUL will 100% own and control the portion of the system in U.K. territory; and (4) Yeso will 100% control the portion of the system in Spanish territory. Under a landing party agreement between Yeso and Telxius Cable Espana, S.L.U. (Telxius), Telxius will own the portion of the system that extends 12 nautical miles from the shores of Spain, and Telxius will grant Yeso an indefeasible right-of-use (IRU) for the same portion of the system, when completed. GU Holdings states that because GSPL, GIUL, Yeso and Telxius will not use the U.S. endpoints of the system, none of these entities is required to be an applicant/licensee for the cable landing license under 1.767(h)(2) of the Commission's rules, 47 CFR § 1.767(h)(2).

#### Ownership and Control of Cable System Landing Points:

United States: The system will use an existing cable landing station in Bellport, NY, which is owned by Level 3 Landing Station, Inc. (Level 3), a U.S. company, and controlled by GU Holdings. Applicant has requested a waiver of Commission rules, 47 C.F.R. § 1.767(h)(1), so that Level 3 need not be a joint applicant/licensee for the Grace Hopper system.

United Kingdom: The system will use an existing cable landing station in Bude, United Kingdom, which is owned by CenturyLink Communications UK Limited, a U.K. company, and controlled by GIUL, an affiliate of GU Holdings.

Spain: The existing cable landing station in Bilbao, Spain is owned and controlled by Telxius. Yeso, an affiliate of GU Holdings, has contracted with Telxius to be the landing party in Spain.

---

GU Holdings requests a waiver of section 1.767(h)(1) so that Level 3 need not be a joint applicant for the Grace Hopper cable landing license. Section 1.767(h)(1) requires that "any entity that owns or controls a cable landing station in the United States" is among the category of entities that shall be "applicants for, and licensees on, a cable landing license." 47 CFR § 1.767(h)(1). According to GU Holdings, although Level 3 is the owner of the Bellport, N.Y. cable landing station, it need not be a joint applicant for the Grace Hopper cable landing license as Level 3 will have no independent ability to affect the operation of the system. GU Holdings will contract with Level 3 for the right to use separately caged collocation space and for certain operation and maintenance services in the cable landing station. Applicant also states that Level 3 will have not have access to GU Holdings' space except: (i) to perform certain operation and maintenance services, with direction and guidance from GU Holdings; (ii) to conduct work in the space unrelated to the system, after providing GU Holdings with notice and opportunity to supervise the work; or (iii) in cases of emergency. The agreement with Level 3 will have an initial term of 15 years that can be extended by GU Holdings to 25 years. GU Holdings will retain operational authority over the cable landing at Bellport, N.Y., and provide direction to Level 3 in all matters relating to the system.

The purpose of the 1.767(h)(1) requirement is to ensure that entities having a significant ability to affect the operation of the cable system become licensees so that they are subject to the conditions and responsibilities associated with the license. See Submarine Cable Landing License Report and Order, 16 FCC Rcd at 22194-95, paras. 53-54. Although Level 3 is the owner of the Bellport, N.Y. cable landing station, we find that, based on the record in this proceeding, Level 3 will not have the ability to affect significantly the operation of the cable system. Accordingly, we grant Applicant a waiver of 1.767(h)(1) and do not require Level 3 to be an applicant for the Grace Hopper cable system.

**Regulatory Status of the Cable:** GU Holdings proposes to operate the Grace Hopper cable system on a non-common carrier basis. GU Holdings states that capacity will either be used by GU Holdings and its affiliates to meet their own internal needs for bandwidth or be made available to third parties pursuant to individually-negotiated indefeasible rights of use (IRU) and capacity leases, the terms of which will vary depending on the characteristics and needs of the particular capacity purchase. Further, Applicant states that there are sufficient alternative facilities providing U.S.-Europe connectivity to preclude the system from becoming a bottleneck facility on that route. Specifically GU Holdings states that Grace Hopper will compete directly with MAREA on the U.S.-Spain route and compete with existing systems on broader European routes served by AC-1, AEC-1, Apollo, Flag Atlantic-1, and Havfrue, which have onward connectivity to the U.K. or Spain via other systems and terrestrial networks.

Applicant has provided information and demonstrated that the proposed operation of the cable on a non-common carrier basis satisfies the requirements set forth in *National Association of Regulatory Utility Commissioners v. FCC*, 525 F.2d 630, 642 (D.C. Cir 1976) (NARUC I), cert. denied, 425 U.S. 992 (1976). See also Submarine Cable Landing License Report and Order, 16 FCC Rcd at 22202-22203, paras. 69-70; Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, Notice of Proposed Rulemaking 15 FCC Rcd 20789, 20815-20818, paras. 62-67.

**Conditions and Requirements:** Applicant shall comply with the routine conditions specified in section 1.767(g) of the Commission's rules, 47 CFR § 1.767(g), and with the requirements of Section 1.768 of the Commission's rules, § 1.768 (Notification by and prior approval for submarine cable landing licenses that are or propose to become affiliated with a foreign carrier).

We grant the Petition to Adopt Conditions to Authorization and License (Petition) filed in this proceeding by the National Telecommunications and Information Agency, on behalf of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, on November 10, 2021. Accordingly, we condition grant of this Application on GU Holdings Inc. abiding by the commitments and undertakings contained in the October 27, 2021, Letter of Agreement (LOA) from Austin Schlick, President, GU Holdings Inc. to the Under Secretary, Office of Strategy, Policy, and Plans, Department of Homeland Security and the Under Secretary, Office of Acquisitions and Sustainment, Department of Defense. A failure to comply and/or remain in compliance with any of these commitments and undertakings shall constitute a failure to meet a condition of the cable landing license and thus grounds for declaring the license terminated without further action on the part of the Commission. Failure to meet a condition of the license may also result in monetary sanctions or other enforcement action by the Commission. A copy of the Petition and the LOA are publicly available and may be viewed on the FCC website through the International Bureau Filing System (IBFS) by searching SCL-LIC-20210225-00014 and accessing "Other filings related to this application" from the Document Viewing area.

---